

The background of the entire page is a photograph of the South Carolina State Capitol building. The building is a large, white, neoclassical structure with a prominent central dome topped by a statue. The facade features numerous tall, white columns. The sky is a clear, bright blue. The building is surrounded by green lawns and some trees.

*General Assembly Retirement System*

# **GARS Member Handbook**

*July 2012 Edition*

**South Carolina  
PUBLIC EMPLOYEE BENEFIT AUTHORITY**

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**PEBA**

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*Employers covered by the South Carolina Retirement Systems are not agents of the Retirement Systems.*

**THIS HANDBOOK CONTAINS AN ABBREVIATED DESCRIPTION OF THE RETIREMENT BENEFITS OFFERED BY THE GENERAL ASSEMBLY RETIREMENT SYSTEM. THE INFORMATION IN THIS HANDBOOK IS MEANT TO SERVE AS A GUIDE FOR OUR MEMBERS AND DOES NOT CONSTITUTE A BINDING REPRESENTATION OF THE SOUTH CAROLINA RETIREMENT SYSTEMS. TITLE 9 OF THE SOUTH CAROLINA CODE OF LAWS CONTAINS A COMPLETE DESCRIPTION OF THE RETIREMENT BENEFITS, THEIR TERMS AND CONDITIONS, AND GOVERNS ALL RETIREMENT BENEFITS OFFERED BY THE STATE. STATE STATUTES ARE SUBJECT TO CHANGE BY THE GENERAL ASSEMBLY. PLEASE CONTACT THE RETIREMENT SYSTEMS FOR THE MOST CURRENT INFORMATION.**

**THE LANGUAGE USED IN THIS HANDBOOK DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS AND DOES NOT CREATE A CONTRACT BETWEEN THE MEMBER AND THE SOUTH CAROLINA RETIREMENT SYSTEMS. THE SOUTH CAROLINA RETIREMENT SYSTEMS RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS HANDBOOK.**

## General Information

The General Assembly Retirement System (GARS) was established January 1, 1966, to provide retirement and other benefits to members of the South Carolina General Assembly. This handbook provides an overview of these benefits. Act 278 of 2012 closed GARS to individuals first elected to the South Carolina General Assembly in or after November 2012.

## Membership Effective July 1, 2012

Individuals first elected to the South Carolina General Assembly during or after the 2012 general election are not eligible to join GARS. These individuals are eligible to join either the South Carolina Retirement System (SCRS) or participate in the State Optional Retirement Program (State ORP).

Newly elected members of the General Assembly eligible for SCRS membership or State ORP participation should view the "It's Your Choice: SCRS or State ORP" video and review the Select Your Retirement Plan guide, both of which are available on our website at [www.retirement.sc.gov](http://www.retirement.sc.gov).

## Prior to July 1, 2012

Being an active member of GARS means you were first elected to the General Assembly prior to July 1, 2012, are serving in the General Assembly, earning service credit toward retirement, and making regular contributions to a GARS account. GARS members who retire at age 70 or with 30 years of service and continue to work are

considered retired members as of the date of their retirement.

You must be an active member to receive most of the benefits outlined in this handbook. As an active member of GARS, you will receive a member statement each year that reflects your employee contributions and interest, service credit, and designated beneficiaries.

## Correlated Retirement Systems

GARS, SCRS and the Police Officers Retirement System (PORS) are correlated retirement systems. If you have contributions in more than one of these retirement systems, your service credit is maintained separately within each system; however, your service credit from all correlated systems is added together to determine your eligibility for a retirement annuity. The Judges and Solicitors Retirement System (JSRS) is not a correlated retirement system. You cannot use correlated service credit to qualify for special contributor status in GARS. You must establish and maintain the required initial eight years of service credit (purchased and earned) specifically in GARS. However, you may use correlated service to qualify for a GARS deferred monthly annuity at age 60 if you have at least eight years of combined correlated service.

## Member Contributions

As a member of GARS, you contribute a tax-deferred 11 percent of your earnable compensation (salary and in-district expense) and, if applicable, compensation for additional line item compensation. Effective for contributions collected on or after January 1, 2013, the member

contribution rate will increase to 11 percent of your earnable compensation. Positions that include additional line-item compensation are: Speaker of the House; Speaker Pro Tempore of the House; Chairman, House Ways and Means Committee; Chairman, Senate Finance Committee; and President Pro Tempore of the Senate.

Your GARS account earns 4 percent interest compounded annually on your balance as of the previous June 30 unless you withdraw your contributions or until you retire or your account becomes inactive. An account is considered inactive when no contributions have been made to the account in the preceding 12 months.

## Beneficiaries

Active members may designate three types of beneficiaries:

- Primary beneficiaries for your in-service death benefit or refund of contributions. Multiple beneficiaries share equally in a survivor monthly annuity;
- Contingent beneficiaries in case of death of the primary beneficiaries. All primary beneficiaries must be deceased before any contingent beneficiaries will be paid; and
- Incidental death benefit beneficiaries.

You may name your estate as a beneficiary; however, monthly annuity payments cannot be paid to an estate. Active members may change their beneficiaries at any time before retirement.

## Active Member In-Service Death

If you die while in service as an active member of GARS, your designated beneficiary will be entitled to a lump-sum return of your employee contributions and accumulated interest. Further, if you are older than 60 years of age or have more than 15 years of service credit in GARS and die while in service, your beneficiary may select an in-service death monthly annuity in lieu of the return of contributions.

## Active Member Incidental Death Benefit

In addition to the in-service death benefits listed above, if you die while in service with at least one year of earned service credit in GARS, an incidental death benefit payment equal to your annual earnable compensation will be paid to your designated beneficiary. If your death results from a job-related injury, the benefit is payable regardless of your length of service.

## Service Credit

### Earning Service Credit

GARS service is credited based on a legislative term beginning the Monday following the date of election (see chart). A full year of service credit is given to GARS members upon completion of a legislative session provided they do not retire, terminate employment, leave office, or die before the end of the term. Special election members who serve any portion of a year will receive prorated service credit, but may establish credit for the entire year by paying into the system the same contribution amount that full term members paid plus interest.

| <u>Term</u> | <u>Beginning Date</u> | <u>Ending Date</u> |
|-------------|-----------------------|--------------------|
| 2011 – 2012 | 11/12/2011            | 11/11/2012         |
| 2012 – 2013 | 11/12/2012            | 11/9/2013          |
| 2013 – 2014 | 11/10/2013            | 11/9/2014          |
| 2014 – 2015 | 11/10/2014            | 11/13/2015         |
| 2015 – 2016 | 11/14/2015            | 11/13/2016         |
| 2016 – 2017 | 11/14/2016            | 11/11/2017         |
| 2017 – 2018 | 11/12/2017            | 11/11/2018         |
| 2018 – 2019 | 11/12/2018            | 11/8/2019          |
| 2019 – 2020 | 11/9/2019             | 11/8/2020          |

### Establishing Service Credit

Active members may establish additional service credit for various types of previous employment and leaves of absence, and up to five years of non-qualified service. Descriptions of these types of service follow. Generally, a member on leave without pay from a covered employer is not eligible to establish service credit of any type.

You may establish service credit through a lump-sum payment, an installment service purchase (pre- or post-tax basis, plus interest), or a tax-deferred rollover from an Individual Retirement Account (IRA), 401(k) plan, 401(a) eligible plan, 403(b) plan, or 457 plan.

You may establish each type of service credit once within a fiscal year. If you are establishing service to meet retirement eligibility, contact the Retirement Systems for more information. Payment for service purchases must be made in full prior to your date of retirement or termination from employment (leaving office).

Some types of purchased service may not be used in determining insurance eligibility. Contact your employer or health insurance provider for insurance coverage questions. If you are covered by state health insurance, contact the Employee Insurance Program at 803-734-0678 or toll free at 888-260-9430 for eligibility information.

## **Descriptions of Types of Service**

### **Transfer of Service from SCRS or PORS**

You may transfer non-concurrent service credit previously purchased or earned as an SCRS or PORS member. The cost is based on the GARS earnable compensation and contribution rates in effect at the time the service was rendered plus interest, minus any SCRS or PORS contributions plus interest in your account for the same period of service being transferred.

### **Transfer of Service from GARS to SCRS, PORS or JSRS**

Former GARS non-concurrent service may be transferred from GARS to SCRS, PORS or JSRS. The cost is 4 percent of current SCRS earnable compensation, 5 percent of PORS earnable compensation, and 10 percent of current JSRS earnable compensation for each year to be transferred, minus GARS contributions plus interest in your account for the same period of service being transferred.

## **Public Service**

You may establish service credit for any period of paid public service for which you do not already have service credit in another defined benefit plan from which you may receive a benefit. Public service constitutes service as an employee of the government of the United States, a state, or political subdivision of the United States. The cost is 16 percent of your career highest fiscal year earnable compensation for each year purchased.

Act 278 of 2012 includes provisions which change the way service purchase costs are calculated. Effective January 2, 2013, the cost to purchase public service will be calculated using an actuarial formula based on a member's age and years of service at the time the service purchase request is received by the Retirement Systems. The cost will be no less than 16 percent of your career highest fiscal year earnable compensation for each year purchased.

## **Educational Service (K-12)**

You may establish service credit for any period of paid classroom teaching consisting of grades kindergarten through 12 in a public, private, or sectarian school for which you do not already have service credit in another defined benefit plan from which you may receive a benefit. The cost is 16 percent of your career highest fiscal year earnable compensation for each year purchased.

Act 278 of 2012 includes provisions which change the way service purchase costs are calculated. Effective January 2, 2013, the cost to purchase educational service will be calculated using an actuarial formula based on a member's age and years of service at the time the service purchase request is received by the Retirement Systems. The cost will be no less than 16 percent of your career highest fiscal year earnable compensation for each year purchased.

## **Military Service**

You may establish up to six years of service credit for any period of military service for which you do not already have service credit in SCRS, PORS, or

GARS. This includes service in the United States Army, Navy, Marine Corps, Air Force, Coast Guard, Select Reserves, and Army or Air National Guard. The cost is 16 percent of your career highest fiscal year earnable compensation for each year purchased. Your discharge from service must be under conditions other than dishonorable.

Act 278 of 2012 includes provisions which change the way service purchase costs are calculated. Effective January 2, 2013, the cost to purchase military service will be calculated using an actuarial formula based on a member's age and years of service at the time the service purchase request is received by the Retirement Systems. The cost will be no less than 16 percent of your career highest fiscal year earnable compensation for each year purchased.

Under guidelines set forth by the Uniformed Services Employment and Reemployment Rights Act (USERRA), you may also arrange in advance with your employer to continue contributing to your account while on active duty military leave or make the contributions after returning from military leave within a period three times longer than your military leave, but not more than five years.

### **Leave of Absence**

Active members on an employer-approved leave of absence who return to covered employment within four years may purchase service credit for the employer-approved leave period for which they do not already have service credit, up to a maximum of two years per leave of absence. The cost is 16 percent of your career highest fiscal year earnable compensation for each year purchased. If you have established State ORP service in SCRS, your career highest fiscal year earnable compensation includes your earnable compensation in either State ORP or SCRS.

Act 278 of 2012 includes provisions which change the way service purchase costs are calculated. Effective January 2, 2013, the cost to purchase leave of absence service credit will be calculated using an actuarial formula based on a member's age and years of service at the time the service

purchase request is received by the Retirement Systems. The cost will be no less than 16 percent of your career highest fiscal year earnable compensation for each year purchased.

### **Workers' Compensation**

You may establish service credit for a period while on a leave of absence and receiving workers' compensation benefits. The cost is based on contributions plus interest using your earnable compensation at the time of injury. You may also arrange in advance with your employer to continue contributing to your account while you are receiving workers' compensation benefits.

### **Previously Withdrawn GARS Service**

If you left employment and received a refund of your contributions plus interest from the Retirement Systems, you may re-establish this service upon returning to active membership. You must repay the amount you withdrew plus interest to the date your request is received. Previously withdrawn service that is re-established in GARS is considered earned service for the determination of the GARS minimum service requirement for benefit eligibility.

You may establish service previously withdrawn from SCRS or PORS directly into GARS. The cost is based on the GARS salary and contribution rates in effect at the time the service was rendered plus interest.

Please note that earnings associated with a re-established withdrawal will be considered for possible inclusion in the calculation of a member's average final compensation and any subsequent service purchase calculations.

### **Non-Qualified Service**

Active members who have five or more years of earned service credit may establish up to five years of non-qualified service. The cost is 35 percent of your career highest fiscal year earnable compensation for each year purchased. If you have established State ORP service in SCRS, your career highest fiscal year earnable compensation includes your earnable compensation in either State ORP or SCRS.

Act 278 of 2012 includes provisions which change the way service purchase costs are calculated. Effective January 2, 2013, the cost to purchase non-qualified service will be calculated using an actuarial formula based on a member's age and years of service at the time the service purchase request is received by the Retirement Systems. The cost will be no less than 35 percent of your career highest fiscal year earnable compensation for each year purchased.

## **State Optional Retirement Program Participation**

Active members may purchase service credit for their years of participation in the State ORP. The cost is 16 percent of your career highest fiscal year earnable compensation in either SCRS or State ORP, whichever is greater, for each year of service purchased. You may not purchase service for a period of State ORP participation for which you may receive a retirement benefit from another defined benefit retirement plan. State ORP service that is established in SCRS through the service purchase process is considered earned service for the determination of the SCRS minimum service requirement for benefit eligibility. Earnable compensation associated with State ORP service purchased in SCRS will be considered for possible inclusion in the calculation of a member's average final compensation and any subsequent service purchase calculations.

Act 278 of 2012 includes provisions which change the way service purchase costs are calculated. Effective January 2, 2013, the cost to purchase ORP service will be calculated using an actuarial formula based on a member's age and years of service at the time the service purchase request is received by the Retirement Systems. The cost will be no less than 16 percent of your career highest fiscal year earnable compensation for each year purchased.

## **Special Contributing Member**

Upon establishing eight years of service credit (purchased and earned) in GARS, you are eligible to become a special contributing member should you cease to be an active member of GARS. You

must apply within six months of GARS termination using the General Assembly Retirement System Special Contributing Member Election (Form 2140) to become a special contributing member.

You may contribute to your GARS account in this status until you reach 22 years of service credit or through the end of the year prior to reaching age 60, whichever occurs first. SCRS service credit earned as governor and/or lieutenant governor counts toward the eight year service requirement needed to become a special contributing member.

### **Example:**

4 years service as GARS member  
+ 4 years SCRS service as Lieutenant Governor  
= 8 years (upon reaching eight years member may begin special contributor status in GARS)

You cannot use correlated service credit other than as governor or lieutenant governor to qualify for special contributor status. You must establish and maintain your initial eight years of service credit (earned and established) in GARS.

If you elect to become a special contributing member, you must pay the employee contributions based on the earnable compensation level in effect during the years in which you participate in the program. Special contributor contributions begin at the time of termination from office. If you are a special contributing member, you will receive an invoice each year from our Service Department for contributions due. If you fail to make the yearly contribution payment by the June 30 deadline each year, you are considered to have made an irrevocable election to become a noncontributing special member.

Since special contributors are not active General Assembly members, the only service credit that you may purchase as a special contributing member is the yearly special contributor service credit. If you are also a member of SCRS, PORS, or JSRS, you may purchase service in whichever of these systems you are an active member. If you transfer service out of your GARS account, the total number of years of service originally



available for purchase as a special contributing member will not change.

If a special contributing member withdraws or transfers the initial eight years of GARS service credit that qualified him to become a special contributing GARS member, he cannot receive a GARS monthly annuity or continue to participate as a special contributor. Correlated service credit is not included in determining the total years of service a member may establish as a special contributing member or determining eligibility to become a special contributing member.

Special contributing members are not covered by the active member incidental death benefit, nor do your beneficiaries have the option of applying for a survivor monthly annuity at your death unless you die at age 60 or after with at least eight years of service but before applying for a deferred monthly annuity.

## Disability Retirement Annuity

You may apply for a disability retirement annuity if you become physically or mentally incapable of performing the regular duties of your job and your disability is likely to be permanent. You must have at least five years of credited service toward retirement unless your disability is the result of an injury arising out of and in the course of the performance of your job duties.

Becoming disabled does not automatically qualify you for a disability retirement annuity; you must file an application and go through the review process. The Retirement Systems must receive your disability retirement application within 90 days of the date of your termination from covered employment.

## Leaving before Retirement

If you have eight or more years of service credit in GARS when you terminate employment (leave office), you may choose to:

- Request a refund of your contributions and interest (instructions follow);

- Become a special contributing member (see Page 7); or
- If you have eight years of credited service, leave your contributions in your retirement account and apply for a deferred monthly annuity at age 60.

If you terminate active membership with fewer than eight years of GARS and/or correlated service credit and are less than 60 years old, you would only be eligible for a refund of contributions and interest.

## Request a Refund

To receive a refund of your accumulated contributions and interest, you must complete a *Refund Request* (Form 4101) and return it to the Retirement Systems. You may submit your refund request immediately upon termination. If you are working for two or more covered employers and/or contributing to more than one retirement account (i.e., working two jobs and paying into an SCRS and a GARS account), you must stop working in all correlated systems to request a refund from any account.

If you receive a refund, you forfeit your rights to any future service retirement or disability annuity. Employer contributions are not refunded. Instead of having the refund paid directly to you, you may choose to roll over the funds into an IRA, a 401(k) plan, a 401(a) eligible plan, a 403(b) plan, or some 457 plans (the South Carolina Deferred Compensation Program's 457 plan does not accept rollovers from your Retirement Systems account).

The Retirement Systems is required to withhold federal taxes of 20 percent on the taxable portion of any refund that is eligible for a rollover but is not transferred directly into another qualified retirement plan. Other taxes or penalties may apply as well. Under the federal Pension Protection Act of 2006, the 10 percent withdrawal penalty is waived for public safety members who separate from service after age 50 and military reservists and national guardsmen who are called



to active duty for at least 180 days. Be sure to check with an accountant or tax advisor regarding your tax liability.

## **Service Retirement**

### **When to Apply**

You must file a service retirement application with the Retirement Systems to retire; it is not automatic. We encourage you to file your application as early as six months prior to your desired effective date of retirement but no later than 90 days afterward. Included within this handbook are samples of all of the forms you need to apply for service retirement in GARS. You may access these forms on our website at <http://www.retirement.sc.gov/forms/default.htm> or you may obtain additional copies either from the House or Senate's benefits staff or the Retirement Systems. If you need additional forms or assistance, please contact our Customer Services Department at 803-737-6800, toll free at 800-868-9002 (within S.C. only), [www.retirement.sc.gov/contact/email.htm](http://www.retirement.sc.gov/contact/email.htm), or via Live Chat by selecting the "Customer Service Chat Now" button in the header area of our home page ([www.retirement.sc.gov](http://www.retirement.sc.gov)).

If you do not receive notification of the Retirement Systems' receipt of your application within 10 days after submitting it, contact Customer Services. Please do not leave office until the Retirement Systems has audited your service credit and you receive official notice of your retirement eligibility. This official notice will be sent to you in the mail and is entitled, "Notification of Retirement Eligibility and Estimated Benefit." Benefit estimates may be obtained from the Retirement Systems but are projected based on information you provide and information in the Retirement Systems' records. Benefit estimates are subject to change upon an audit of your account after your retirement application is received.

### **Eligibility**

If you meet one of the following requirements, you are considered eligible to retire (see

Correlated Retirement Systems on Page 2 if you have an account in more than one retirement system):

- You have reached 30 years of service and are no longer in the service of the state.
- You are an active GARS member who has reached age 60, are terminating GARS employment without eight years of service, are going directly into retirement, and are no longer in the service of the state.
- You are an inactive GARS member who has reached age 60 with at least eight years of service (including service in correlated retirement systems).
- You are an active GARS member who has reached age 70 or has 30 years of service credit. You may begin receiving a monthly annuity from GARS while continuing to serve in office. You must retire at the beginning of an annual session of the General Assembly. You will receive your monthly annuity from GARS in lieu of your per diem salary; however, you will still receive your in-district expense allowance. You are an active SCRS or PORS member who has reached age 62; you are not currently serving in the General Assembly; and you are eligible to receive a retirement annuity from GARS except for current employment with an employer participating in a correlated retirement system.
- You are an active member of JSRS who has reached age 62 and are otherwise eligible to receive a monthly annuity from GARS.

An individual who is actively participating in SCRS and GARS may participate in the Teacher and Employee Retention Incentive (TERI) program while continuing to be a contributing member of GARS. Pursuant to Act 278 of 2012, the TERI program closes June 30, 2018 to all SCRS members. The member's monthly annuity from GARS is not subject to an earnings limitation or break-in-service requirement.

Any person who has been an active member of SCRS and who meets all of the requirements and qualifications for retirement, and is or becomes a member of the General Assembly, shall be allowed, at his option, to draw his SCRS retirement benefit.

## **Payment Options at Retirement**

There are five monthly annuity payment options available to you at retirement. Select the payment option that best suits your needs. Your payment option may not be changed once your annuity is first payable.

### **Maximum Option: Retiree Only Monthly Annuity**

This option provides the maximum monthly annuity available and will pay you a lifetime annuity based on the current earnable compensation of a General Assembly member, your years of service, and a multiplier set by statute. Earnable compensation may include additional line item compensation for the positions of Speaker of the House; Speaker Pro Tempore of the House; Chairman, House Ways and Means Committee; Chairman, Senate Finance Committee; and President Pro Tempore of the Senate.

After your death, the Retirement Systems will return, through a lump-sum payment to your beneficiary or your estate, the remaining balance of any member contributions and interest not exhausted through receipt of your annuity during your retirement.

### **Option 1: 100% - 100% Joint Retiree-Survivor Monthly Annuity**

You will receive a reduced (from the Maximum Option) monthly annuity for life. After your death, the same annuity (100 percent of your reduced monthly annuity) will continue throughout your beneficiary's lifetime.

You may select Option 1 only if your designated beneficiary is your spouse, or you designate multiple beneficiaries or a sole beneficiary who is

not your spouse and who is within the 10-year age difference limits allowed by an Internal Revenue Code (IRC) formula. The non-spousal limits do not apply if the non-spousal beneficiary is older than you, or in the case of disability retirement or death benefits.

If, based on the IRC formula, the adjusted age difference for you and a non-spousal beneficiary exceeds the IRC limits, Option 1 would not be available to you. You would be able to select Option 2 or Option 2A, however, with no IRC restrictions. If you designate a non-spousal beneficiary who subsequently predeceases you, you will retain your reduced monthly annuity and will not have an opportunity to select a new payment option.

### **Option 1A: 100% - 100% Joint Retiree-Survivor Monthly Annuity**

You will receive a reduced (from the Maximum Option) monthly annuity for life. After your death, the same annuity (100 percent of your reduced monthly annuity) will continue throughout your beneficiary's lifetime. Option 1A provides additional protection for you because if all of your designated beneficiaries predecease you, your annuity will revert to the Maximum Option.

You may select Option 1A only if your designated beneficiary is your spouse, or you designate multiple beneficiaries or a sole beneficiary who is not your spouse and who is within the 10-year age difference limits allowed by an IRC formula. The non-spousal limits do not apply if the non-spousal beneficiary is older than you, or in the case of disability retirement or death benefits.

If, based on the IRC formula, the adjusted age difference for you and a non-spousal beneficiary exceeds the IRC limits, Option 1A would not be available to you. You would be able to select Option 2 or Option 2A, however, with no IRC restrictions.

## Option 2: 100% - 50% Joint Retiree-Survivor Monthly Annuity

You will receive a reduced (from the Maximum Option) monthly annuity for life. After your death, one-half of the annuity (50 percent of your reduced monthly annuity) will continue throughout your beneficiary's lifetime. If you designate a non-spousal beneficiary who subsequently predeceases you, you will retain your reduced monthly annuity and will not have an opportunity to select a new payment option unless a qualifying event occurs such as the death of a spouse or a change in marital status.

## Option 2A: 100% - 50% Joint Retiree-Survivor Monthly Annuity

You will receive a reduced (from the Maximum Option) monthly annuity for life. After your death, one half of the annuity (50 percent of your reduced monthly annuity) will continue throughout your beneficiary's lifetime. Option 2A provides additional protection for you because if all of your designated beneficiaries predecease you, your annuity will revert to the Maximum Option.

## Service Retirement Maximum Option Annuity Formula

- Step 1: Add current earnable compensation and additional line-item compensation (if applicable).
- Step 2: Multiply the result of Step 1 by 4.82 percent (.0482).
- Step 3: Multiply the result of Step 2 by years, months, and days of service credit. The result of Step 3 is your Maximum Option annual annuity.

Step 4: Divide the result of Step 3 by 12 to get your monthly annuity.

Step 5: Apply any applicable reduction for survivor payment options (Option 1, 1A, 2, or 2A).

### Example

Earnable compensation and additional line-item compensation = \$33,400

|         |                |
|---------|----------------|
| Member  | 22,400         |
| Speaker | <u>+11,000</u> |
|         | \$ 33,400      |

Service credit = 30 years

$\$33,400 \times 4.82\% (.0482) = \$1,609.88$

$\$1,609.88 \times 30 = \$48,296.40$  Maximum Option annual benefit

$\$48,296.40 \div 12 = \$4,024.70$  Maximum Option monthly benefit

Reductions based on your age and the age of your beneficiary will apply to all survivor payment options.

## If You Choose Option 1, 1A, 2, or 2A

If you choose a survivor payment option and name multiple beneficiaries, after your death your annuity will be divided equally among those beneficiaries. The annuity will not change for the remaining beneficiaries if one beneficiary dies, either before or after the member dies. If you select Option 1A or 2A and all of your designated beneficiaries predecease you, your annuity will revert to the Maximum Option effective on the date the last beneficiary died. You must notify the Retirement Systems upon the death of a beneficiary.

## Post-Retirement Information

### Monthly Annuity Payments

Monthly annuity payments are directly deposited into your bank account on the last business day of each month. Electronic distribution of monthly annuity payments reduces risks to both recipients and the state, as well as reduces costs to the retirement plans. You may add or change your direct deposit information any time by logging into the Retirement Systems' secure, online Member Access system at <https://online.retirement.sc.gov/MemberAccess/welcome> or contact our office at 803-737-6800 or 800-868-9002 (within S.C. only) to request a Direct Deposit Authorization (Form 7204)..

### Taxes

The taxable portion of your monthly annuity and any incidental death benefit payments to your beneficiary are subject to federal and state income taxes. Check with an accountant or a tax advisor regarding your tax liability.

### Benefit Adjustments

Generally, if the General Assembly approves an increase in earnable compensation for active GARS members, benefits for GARS retirees and beneficiaries will increase by the same percentage on the effective date of the earnable compensation increase.

### Returning to Covered Employment

If you return to work after retirement, there is no limit on the dollar amount you may earn as compensation; however, certain conditions apply for members who return to work for an employer covered by SCRS, PORS, or JSRS.

- If you retired within JSRS and return to work under GARS, you may continue to receive your JSRS annuity and contribute to GARS unless you elect non-membership. Act 278 of 2012, however, closed GARS to individuals first elected to the South Carolina General Assembly in or after November 2012.

- If you retired within GARS and return to the General Assembly, your monthly annuity from GARS ceases and you become a contributing GARS member unless you elect non-membership in GARS.
- If you retired within GARS, return to JSRS-covered employment, and are under age 62, your monthly annuity from GARS ceases and you become a contributing JSRS member. You may resume your monthly annuity from GARS at age 62 or upon termination from JSRS-covered employment.
- If you retired within GARS and return to SCRS- or PORS-covered employment, you must elect non-membership in SCRS or PORS and work as a non-member retiree.

### Retired Member Incidental Death Benefit

If, as a retired or inactive GARS member, you are eligible for a deferred monthly annuity at the time of your death, your beneficiary may qualify to receive the retired member incidental death benefit. The incidental death benefit payment is based on your total service credit and will be paid to your beneficiaries as follows:

| Years of GARS Service Credit | Incidental Death Benefit Payment |
|------------------------------|----------------------------------|
| 10 to 19 years               | \$1,000                          |
| 20 to 29 years               | \$2,000                          |
| 30 or more years             | \$3,000                          |

Amounts paid to your beneficiary are considered taxable benefits; therefore, state and federal taxes will be withheld unless your beneficiary rolls over the money into another qualified retirement plan.

## **Beneficiary and Payment Option Changes**

### **Death of a Spousal Beneficiary under a Joint Survivor Payment Option**

If, as a retired GARS member, you designated your spouse as a retirement beneficiary under one of the joint survivor payment options and your spousal beneficiary predeceases you, you may select a new retirement annuity payment option and designate a new beneficiary within one year of the spousal beneficiary's death.

### **Marital Status Change**

If, as a GARS retiree, your marital status changes due to divorce or marriage, you may select a new retirement annuity payment option and designate a new beneficiary. If, as a retiree, you have a change in marital status, you may select a new payment option and designate a new beneficiary even if you did not originally select a spouse as beneficiary or did not elect a joint survivor payment option. There is no time limit for new retirement elections due to a change in marital status.

Changes in post retirement payment options may reduce the amount of your monthly annuity. Benefit estimates for post retirement payment option changes may be received by contacting the Retirement Systems.

## **For More Information**

Be sure to visit our website at [www.retirement.sc.gov](http://www.retirement.sc.gov) for additional information, resources, and tools. Estimate how much it will cost you to make a service purchase or how much your retirement benefit will be by using our online calculators. Sign up for our RSS feed while you are on the website so you can receive email notifications when we update the site or post important news. You may also contact Customer Services by telephone at 803-737-6800 or toll free at 800-868-9002 (within S.C. only), by email at [www.retirement.sc.gov/contact/email.htm](mailto:www.retirement.sc.gov/contact/email.htm), or by live chat by clicking on the "Customer Service Chat Now" button in the header area of our homepage ([www.retirement.sc.gov](http://www.retirement.sc.gov)).

## Contacting the South Carolina Retirement Systems

### Office Hours

8:30 a.m. - 5:00 p.m.

### Phone

803-737-6800

800-868-9002 (within S.C. only)

### Mailing Address

P.O. Box 11960

Columbia, SC 29211-1960

[www.retirement.sc.gov](http://www.retirement.sc.gov)

## Locating the South Carolina Retirement Systems

### Location Address

202 Arbor Lake Drive

Columbia, SC 29223

### Directions from Downtown Columbia

The Retirement Systems' office is located at 202 Arbor Lake Drive, approximately five miles north of Columbia. To reach our office from downtown Columbia, head north on the Bull Street Extension, which becomes SC-277, and exit right on Fontaine Road. Then turn right on Fontaine Road and make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

### Directions from the Interstate From I-20 (Augusta or Florence)

Take Exit 73-A to SC-277 toward Columbia and exit at Fontaine Road. Then turn

right on Fontaine Road and make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

### From I-26 East (Spartanburg)

Take I-20 East toward Florence and take Exit 73-A to SC-277 toward Columbia and exit at Fontaine Road. Then turn right on Fontaine Road and make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

### From I-26 West (Charleston)

Take Exit 116 (I-77 North) toward Charlotte and exit to I-20 toward

Augusta (Exit 16). Take Exit 73-A to SC-277 toward Columbia and exit at Fontaine Road. Then turn right on Fontaine Road, and make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

### From I-77 South (Charlotte)

Take Exit 18 to SC-277 toward Columbia and exit at Fontaine Road. Then turn right on Fontaine Road and make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

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The background of the entire page is a photograph of the South Carolina State Capitol building. It is a large, white, neoclassical structure with a prominent central dome topped by a smaller cupola. The building features a portico with tall columns on the left side. The sky is clear and blue.

# **GARS Member Handbook**

**July 2012 Edition**

**South Carolina Retirement Systems**  
**William M. Blume, Jr., CPA, Director**

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**[www.retirement.sc.gov](http://www.retirement.sc.gov)**

**South Carolina Public Employee Benefit Authority**